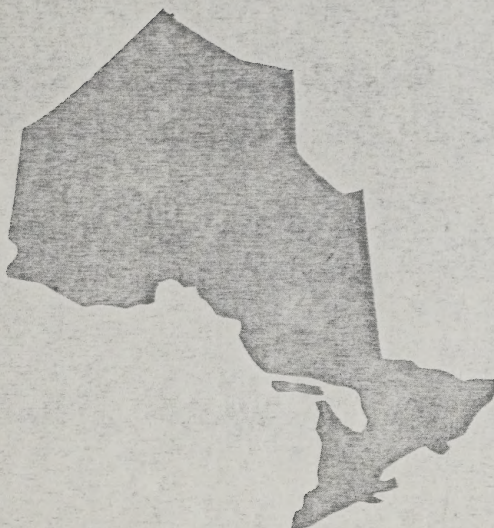


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PEOPLE and LAND IN TRANSITION

Opportunities for Resource Development
on Rural Ontario's Marginal and Abandoned Acres

• A REPORT OF THE ONTARIO ECONOMIC COUNCIL, 1966

*The first farmer was the first man.
To him, as to us, God entrusted
the keeping of this land. As it is a
privilege, so it is a responsibility.
And whosoever neglects to nur-
ture it, fails himself, his fellows
and his God.*



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The Ontario Economic Council

Members of the Ontario Economic Council, which initiated this study and endorsed this report of resources potential on selected areas of Ontario's marginal and sub-marginal land, are:

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• • • • •

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Purpose of Study

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To establish some concept of what might be done to make more productive Ontario's marginal and sub-marginal rural land, a test study was made of six carefully selected and representative townships.

Involved is a total area of some quarter of a million acres and some 3,400 people in the easterly and westerly regions of both southern and northern Ontario.

The study had two basic objectives: first, to measure the economic and social cost of the accelerating drift into idleness of a large part of the acreage concerned; and second, to determine both what might be done to use these lands to better advantage and what might be the cost-benefit relationships of the various programs proposed.

On the first question, the answer is evident only in broad principle. The present cost to the province is too high. Just how much too high is clearly a matter for both interpretation and further study. On the second question, the answer is more specific. Certain definite action to improve land use is indicated. But here too any exact cost-benefit relationship would be largely guesswork.

There is, however, a definite and direct relationship between "idle lands" and "idle hands," and the general immediate unsuitability of these areas for agriculture has often diverted attention from the possibilities of other more rewarding uses. In addition, present governmental policies, through "equalizing" subsidies and grants, both individual and collective, tend to obscure both problems and solutions. For instance, five of the six test townships received provincial grants, entirely apart from educational subsidies, in excess of their total local tax income from property and business, and of Ontario's 479 rural townships with less than 5,000 population, no less than 66 or 14% were in the same category in 1964.

* * * *

The appreciation of the Ontario Economic Council is extended to the members of the advisory committee whose names appear on the next page for their invaluable contributions of time and experience, and to the Agricultural Rehabilitation Development Administration for its financial participation.

William H. Cranston,
Chairman, Ontario Economic Council.

May 1966.

Advisory Committee

Four departments of the Provincial Government, and the Ontario Federation of Agriculture, were represented on the advisory committee convened by the Ontario Economic Council. The members were:

Mr. E. R. Bailey, Supervisor,
Municipal Assessment Branch, Department
of Municipal Affairs

Mr. C. R. Belyea, Chief Economist,
Ontario Federation of Agriculture

Mr. H. F. Crown, Director, ARDA,
Department of Agriculture

Mr. J. W. Giles, Supervisor,
Timber Branch, Department of Lands
and Forests

Mr. G. A. Hills,
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Lands and Forests

Professor D. V. Love,
Department of Forestry, University of
Toronto

Dr. H. L. Patterson, Director,
Farm Economics and Statistics Branch,
Department of Agriculture

Mr. C. H. Van Horne (Co-ordinator)
Research Consultant, Ontario Economic
Council

It should be noted, however, that the participation of civil servants in the study in no way necessarily implies their concurrence, or the concurrence of their Departments, in the recommendations made by the Ontario Economic Council.

Study Areas

The sample townships selected for this study were:

1. Monteaale } adjoining townships in North Hastings County
2. Carlow }
3. Lindsay —on the Bruce Peninsula in Bruce County
4. Harley } townships in the Englehart-New Liskeard area of
5. Brethour } the District of Temiskaming
6. McCrosson-Tovell—twin township in the District of Rainy River

Each might be termed an economic problem area to the extent that it is in receipt of a relatively high percentage of governmental tax aid in relation to local municipal tax revenue.

But they are by no means representative of the highest such ratios among the rural regions of Ontario, nor are they deserving of the label "pockets of poverty".

On the contrary, in many respects both their problems and their potentialities are typical of a significant number of regions within Ontario.

For their residents and for the province as a whole they represent "pockets of opportunity".

Definitions

FULL-TIME FARMER—
an operator who spends no more than
thirty days in the year at off-farm work.

PART-TIME FARMER—
an operator who spends more than thirty
days in the year at off-farm work.

RURAL RESIDENT—
an occupant of a farm property of 25
acres or more who works entirely off-
farm. (Some or all of the farm may be
rented to a farmer, full or part-time.)

LOCAL OWNER—
an owner who lives in the same township
or an immediately adjacent township.

GROSS ANNUAL INCOME FROM THE SOIL—
Gross Annual Income from the Soil (or
Gross Yield of the Soil) is the normal dol-
lar income from the sale of all products
of the farm, but not including income
from the rental of the farm or its build-
ings, or earnings or income of the oper-
ator from sources other than the farm.

Statistical Tolerance

All data for acres, population, taxes, etc. were checked in total against published figures. Generally, a high degree of correlation was achieved—to the extent that even divergent totals are still well within a 5% tolerance.

History of Study Areas

THE total population of the six townships has over the past 60 years remained relatively constant. In 1961 it was up only 3% over 1901, and all and more of that increase had taken place in the preceding decade.

From 1931 to 1961, however, that portion of the population engaged in farming had declined from 3,400 to 1,600, or by more than half.

The forests, which were a source of income to almost every resident at the turn of the century, no longer contribute significantly to the local economy. Of the local markets for farm products, few remain.

Though total population is approximately the same, assessment values and the related tax yield from a reduced number of farms and large areas of idle land now bear only a small resemblance to local municipal operating costs. The slack has been taken up in large part by mounting provincial grants to municipal governments and school boards. Initiated in 1942, these grants by 1964 reached a total of \$275,829 or well over \$1 per annum per acre, and over \$81 per annum per permanent resident.

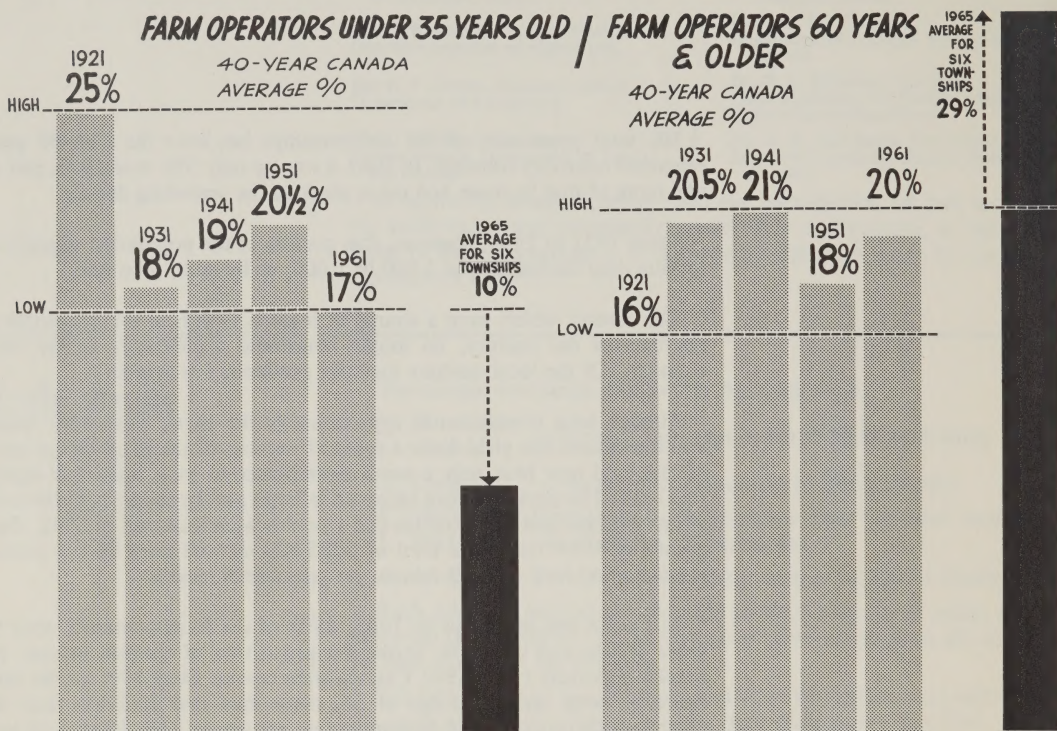
In the six test townships in 1965, 29% of the farm operators were 60 years of age and up, 45% above the proportion of farmers in that age bracket reporting to the 1961 Canada-wide census. Only 10% of the farm operators were under the age of 35, more than one-third less than the Canada-wide proportion of farmers in that age group. (See Chart I on next page.)

This, briefly, is a picture of both land and people in transition. The charts which follow on pages 5, 6 and 7, for example, illustrate the changes in land use which took place between 1948 and 1962 in the township of Montegale.

If the present trends in these six townships continue, within a short period of years there will be only a limited number of persons other than "pensioners" left on the quarter of a million acres under study.



In the six townships the percentage of older farm operators is about one-third above the Canada average; that of younger operators is a third lower.



Canada-Wide Age Pattern

The age-distribution of all Canadian farmers (1961 Census) is reported as follows by the Dominion Bureau of Statistics:

Under 35	35-44	45-54	54-59	60 and older
17%	25%	27%	11%	20%

All Farmers Six Townships

In comparison, the age-distribution of *all farmers* in 1965 in the six townships studied was as follows:

Under 35	35-44	45-54	54-59	60 and older
10%	21%	27%	13%	29%

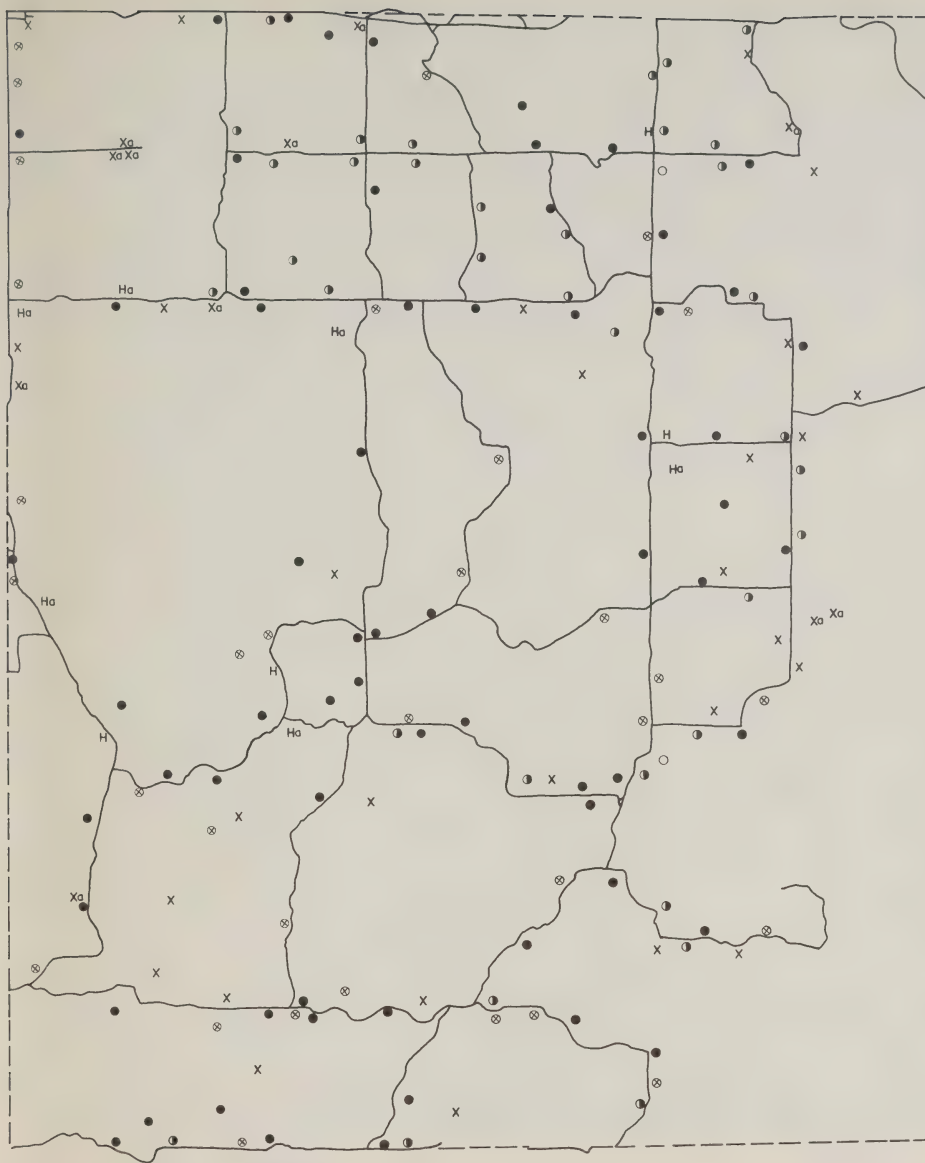
Contrasted with the All-Canada Census, of each 100 in the sample group, 11 less were in the under-45 age-class, and 11 more in the 55 and over group.

Full-Time Farmers Six Townships

The age-distribution of *full-time farmers* in the six-township sample was as follows:

Under 35	35-44	45-54	54-59	60 and older
10%	18%	26%	18%	28%

Again comparing with the 1961 Census, out of each 100 full-time farmers in the sample group, there are 14 less under age 45 and 15 more aged 55 or older.



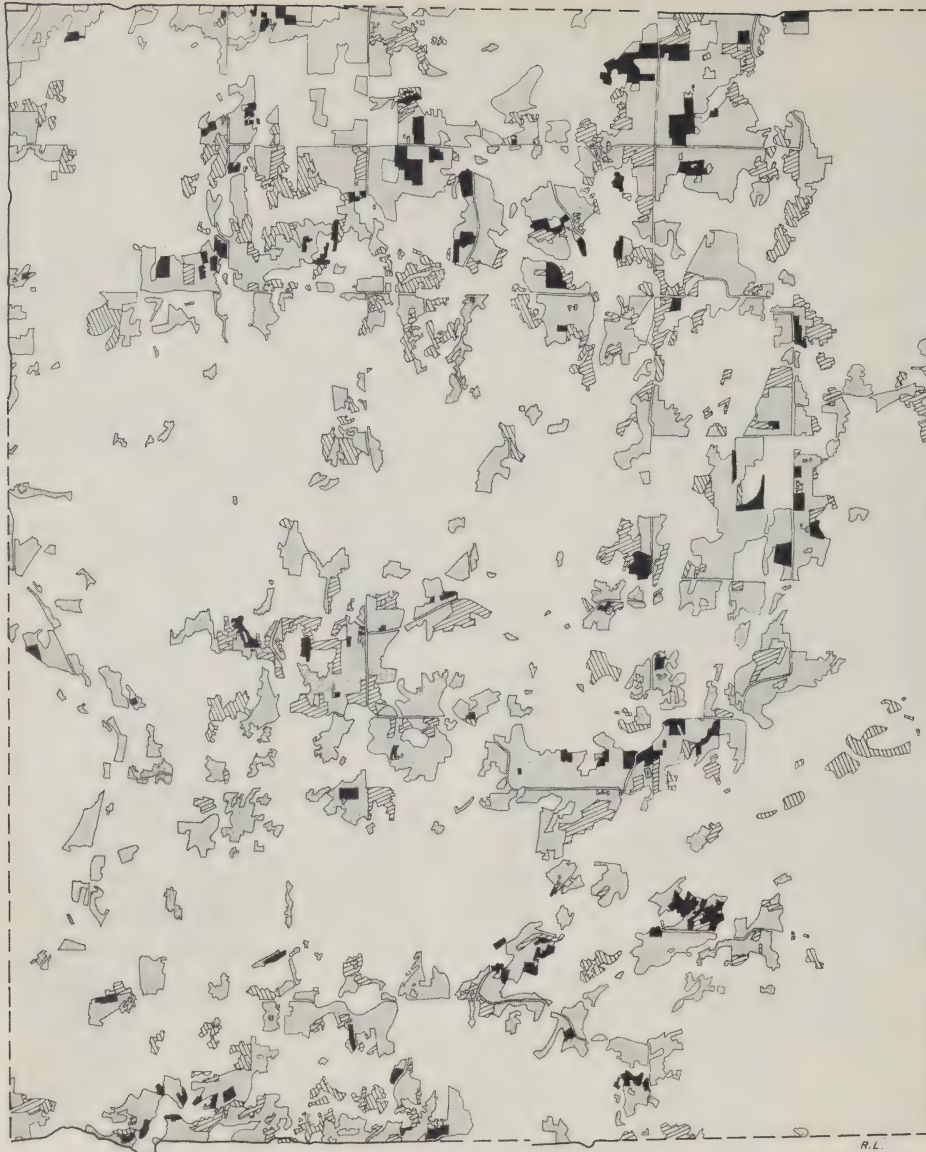
LEGEND

Below \$ 250	Gross agricultural production	⊗	Former farmstead, now home, land taken into consolidation.....	H
\$250 to \$1199	" " " "	●	" " " " , land gone from agricultural production.....	Ha
\$1200 to \$4999	" " " "	⦿	" " " " , land taken into consolidation	X
\$5000 and over	" " " "	○	" " " " , land gone from agricultural production.....	Xa








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Chart II: Economic classification of farms 1962; and change to farm status, 1948 to 1962, in the TOWNSHIP OF MONTEAGLE

Acknowledgement: Reproduced from "Background Studies for Resource Development in the Tweed Forest District, Ontario" by permission of the authors, the Departments of Agricultural Economics, Extension Education, and Zoology of the Ontario Agricultural College, the Economics Division of the Canada Department of Agriculture and the Research Branch of the Ontario Department of Lands and Forests.



LEGEND

Grains	
Corn	
Small fruits, orchards, vegetables	
Hays, rotation and improved pastures	
Rough pasture	
Wooded pasture	
Forest, et al (see Figure 6)	

1 1/2 0 1
SCALE (miles)

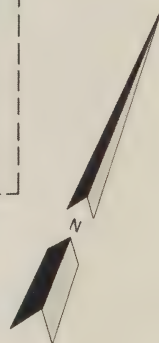
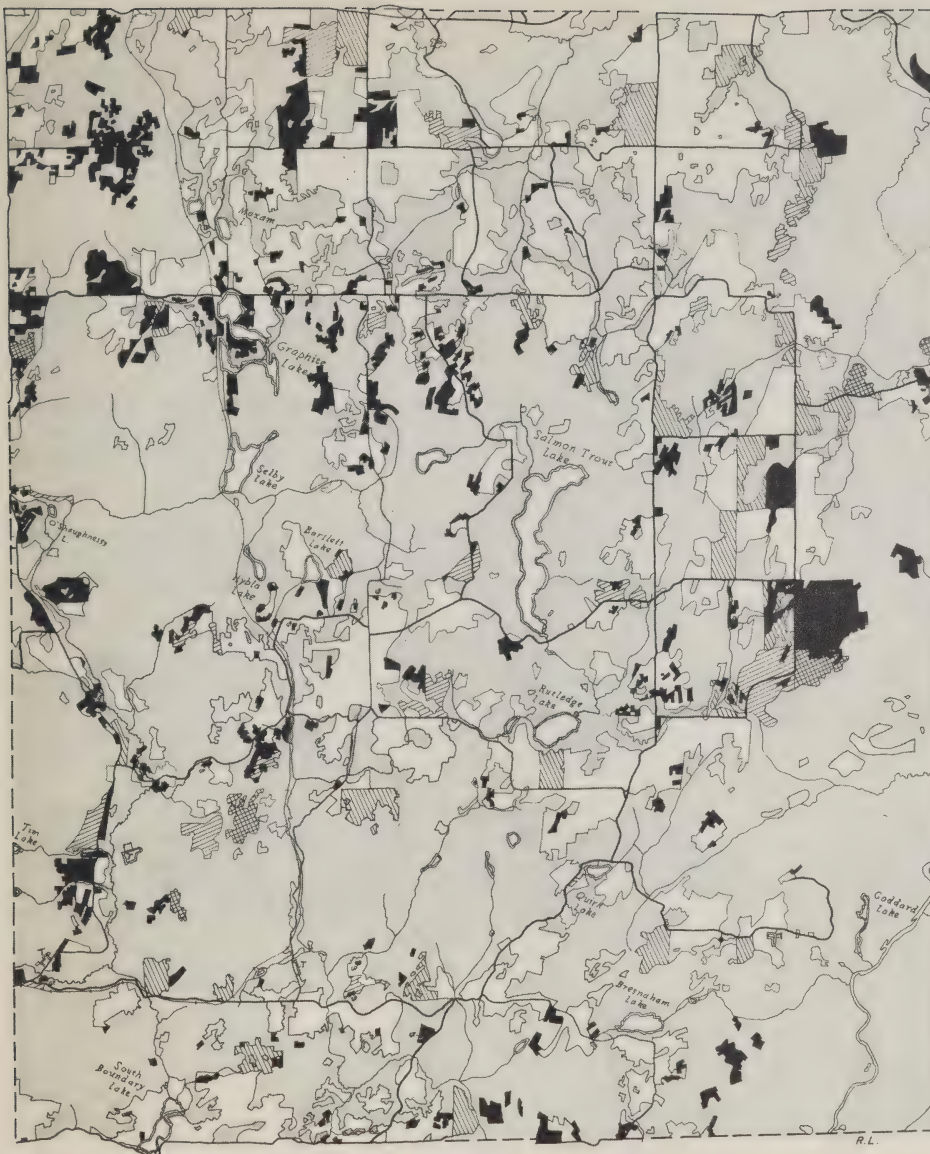









Chart III: Agricultural land use in the TOWNSHIP OF MONTEAGLE, 1962

Acknowledgement: Reproduced from "Background Studies for Resource Development in the Tweed Forest District, Ontario" by permission of the authors, the Departments of Agricultural Economics, Extension Education, and Zoology of the Ontario Agricultural College, the Economics Division of the Canada Department of Agriculture and the Research Branch of the Ontario Department of Lands and Forests.



LEGEND

Agricultural land taken into consolidation or leased	
Land gone from agricultural production	
Idle, former agricultural land	
Idle land, & land taken into consolidation	
From forest, shrub, & idle to agricultural production	
Forest	
Other agricultural producing land	

Road, Railway	
River, Stream	
Lake	
Gravel pit	

1 1/2 0 1
SCALE (miles)

Chart IV: General agricultural land use change in the TOWNSHIP OF MONTEAGLE, 1948 to 1962

Acknowledgement: Reproduced from "Background Studies for Resource Development in the Tweed Forest District, Ontario" by permission of the authors, the Departments of Agricultural Economics, Extension Education, and Zoology of the Ontario Agricultural College, the Economics Division of the Canada Department of Agriculture and the Research Branch of the Ontario Department of Lands and Forests.

Philosophy of Approach

MUCH of the “war on poverty” program in rural Ontario has so far been aimed at determining what can and what should be done to aid individuals to better themselves.

To ensure and enlarge that result, it would appear wise to place at least equal emphasis on what can be done to raise local material resource productivity. Only in this way can there be a long run solution to the problem of local human resource productivity.

In the six rural areas examined there was found a high percentage of under-utilization of resources as evidenced by the amount of idle land. Much of this land could become productive and yield some positive return on investment.

However, without collective action through government, or governmental encouragement of private financing, it appears unlikely that the evolution of land use will take place at a sufficiently fast rate to provide either immediate or near term benefits to the present population. The problem is one not of finding entirely new solutions, but of accelerating natural trends.

The issue, very basically, is simply how long can we afford to wait, in the light of the fact that we are currently providing substantial provincially-based subsidies to those persons remaining in these sub-marginal and marginal areas, when immediate capitalization of those long term subsidies would appear to offer a more economic return to the taxpayer, not only locally but across the province.

Summary of Findings

DETAILED recommendations are set out on pages eleven to fourteen on forest management, agriculture, assessment and taxation, recreational development and rural housing.

* * * *

In the "human resource area", the much-discussed problem of what to do about people caught up in the decline of marginal agriculture is rapidly reaching its own solution through the ageing of the remaining farm operators.

Many of these, as part-time farmers, supplement their agricultural earnings by off-farm employment. There is also some question of how many of the remainder need or want additional work. Pension and welfare payments provide a substantial assist. Any solution involving major physical dislocation is unacceptable both because of deep attachment to a way of life and the fact that insufficient funds would be recovered from the sale of existing land holdings to make relocation possible.

There is, in fact, a basis for concern that unless steps are taken to improve returns from the land, there may evolve permanent "retreat" areas, buttressed by growing welfare, pension and social service supports.

* * * *

Not fully answered yet is the question of how to ensure economically, and without disruption of normal family ties, the necessary levels of education and opportunity for the children of the remaining residents.

* * * *

The problem in the "land" or material resource area shows no similar sign of offering its own solution. In fact, for the year 1964 the total gross product of the soil in these six townships was only 10% more than the dollars injected through provincial grants (excluding educational assistance) and federal old age pensions. In Monteagle, for example, the value of the gross yield of the soil was less than half of the provincial grants alone in 1964.

No more than 10% of the total acreage is actually involved in the production of farm income; about 20% is Crown or township land, with limited value as either forest base or farmland; some 2% only is involved in cottage-properties or small residential holdings.

The remaining two-thirds of total acreage is privately owned by farmers, non-farm rural residents or non-residents and it is substantially idle. A considerable share is in the hands of persons who have part-time or full-time non-farm employment and find it inexpensive and convenient, where year-round roads are available, to live in a farmhouse—truly a rural version of urban "sprawl".

Two of every three of those 250,000 acres are thus in near or entire

Summary of Findings

(Continued)

idleness. The tax-cost of holding such idle land is sufficiently low that at any reasonable level of private investment the owners would "go along" with properly conceived and promoted programs to improve its usefulness.

Minimum tax rates per acre on unoccupied wasteland vary among these townships all the way from eight cents to fifty-four cents annually. Whatever connection (if any) there may be, the Province is paying very heavy grants in the three townships with the lowest tax rates on unimproved wasteland.

* * * *

There is no single solution or group of solutions to the problem of increased land productivity in the six sample townships.

The Township of Lindsay shows a healthy trend as a multi-faceted recreational area; it appears that better highway access would be a sound investment.

The two townships in the Englehart-New Liskeard area (Harley and Brethour) show a satisfactory trend to larger incomes from larger-scale farming and a display of fiscal responsibility. No such farming trend is discernible in the twin townships of McCrosson and Tovell in Rainy River, although their administrative costs also seem to be well in hand.

Monteagle and Carlow, with populations ever less inclined to farming, show sharply increasing costs of municipal operation. There are distinct possibilities in both reforestation and recreation, but improved road access is a must for recreational development. For these and adjoining townships the greatest possible spur to expanded recreational investment would be surfaced highway links to major arterial routes.

* * * *

There are here described practices and trends as belonging to specific townships. They do not do so, of course. They belong to areas. But the development potentialities of representative natural areas can in some measure be identified through studies of individual townships.*

*"Delineation of Disadvantaged Rural Areas in Ontario" (Dept. of Economics and Development, July and Oct., 1965) has demonstrated how by the use of standard statistical material, a ranking of townships in order of economic health may be established. Their procedure seems to identify many of those areas to which the more detailed study outlined here might apply.

Forest Management

WHILE it is not possible to forecast in the light of projected food demands in Ontario in 2,000 A.D. what percentage of currently idle acres should be held for agricultural production, it appears quite safe to say that at least half the currently non-productive acreage in the six townships should be under forest management.

Of the 250,000 acres under study, two-thirds is idle and mostly unoccupied. Of the other one-third which is held mainly by farmers, probably less than one-quarter is cleared. A portion of the uncleared land, however, is used for grazing.

Of the total acreage some 52,000 acres is held by the province and, in small part, by municipalities. Of these 52,000 acres, perhaps as much as one quarter is under lease to sawmills and pulp wood cutters.

Having in mind these exclusions, there would appear to be at least 75,000 acres which could profitably be brought under active forest management either directly by the Department of Lands and Forests and/or by private owners. Such a program would provide year round employment for 100 families at an income level well above the average in the six townships. The yield from such managed forests would also, in time, of course contribute to the development of a number of allied industries.

The problems to be overcome in getting this land into managed forest are four fold:

1. Of the idle land, 68,000 acres is owned by persons living outside the townships and in most instances at some distance. This represents over one-third of all private land holdings. Some 22,000 acres, for example, are held by residents of the U.S.A. These landowners appear content in the main to pay their local taxes and let the land remain unproductive. In all instances these land taxes are subsidized by the province with the net effect that the province is, therefore, not only not discouraging but, in effect, is encouraging the absentee owners to make no productive use of the land.

To provide a worthwhile incentive to improve land use by such absentee owners, however, would probably involve a combination of penalties for idle use and rewards for productive use. In the latter instance the services of some local agency would also be required because there is little evidence to suggest that the owners themselves would be prepared to become personally involved to the extent of much more than their current dollar investment.

2. Of the locally owned idle acres, certainly 25,000 of which total might be profitably put under forest management, the same system of rewards and penalties would appear desirable although perhaps less politically palatable. Non-resident ownership appears to be growing. The incentive for local residents to expand their holdings of marginal land is limited despite the fact that, save where there is water frontage, most of the land could be acquired for under \$10 per acre and the tax carrying cost is under 25c per acre per annum.
3. In the light of the marginal nature of the local economies within these townships, long term capital investment programs are beyond the capacity of most of the people directly concerned. Yet it is uneconomic to consider forest management on less than a 20 to 50 year period. If initial investment were minimal, or if all the land owner was required to do was to continue paying his present level of taxes, it might well be that much of the privately owned idle acreage could be made available under forest management agreement to either governmental or private agencies provided the latter were assured a share of the yield of the harvest.
4. There is no immediate significant market for the harvest from individual woodlots. A larger scale marketing operation is a pre-requisite to profit and it would be even more sensible if it could be tied to a plan under which wood-using secondary industry could be sited in relationship to regional wood supply. Indeed market demand in the next quarter century may be the best starting point for any planned forest management program.

Management on a broad scale of the wood resources of areas such as this could yield long term returns for the Ontario furniture and other wood-based industries.

The following analysis by Professor D. V. Love of the University of Toronto School of Forestry is of significance:

"If the six townships analyzed in the report are typical of the marginal areas in the agricultural sector, it is obvious that some means must be found for the constructive employment of a sizeable rural population and a proportionately larger area of rural land. Failure to do so will result in depopulation of much of Southern Ontario to augment the urban occupation of the less desirable districts

Forest Management

(Continued)

of the cities in the Region. And the land resource, left to the care of absentee owners, will yield only a small part of the potential of which it is capable.

"Serious thought should be given to the employment of this land and many of the present residents in a rehabilitation based on the use of suitable areas of red pine production.

"The study of red pine yields under the aegis of A.R.D.A. indicates that, on those areas on which successful red pine plantations have been established in the past, yields have been at the following rates — the best areas (Moisture Regime 1+ to 2) produce at 2 cords per acre per year on a 50-year rotation; the average conditions (M.R. 1) at 1.5 cords and the poorest areas (M.R.0+ to 1—) at the rate of one cord. It is felt that much of the area of Southern Ontario which has been found submarginal for agricultural purposes falls within the range of moisture regimes indicated above and is, therefore, suited to the rapid production of red pine timber.

"Converted to financial yields, these volume yields indicate a capital return on investment in planting and annual management costs as follows — Class A land (best), 6% where the land value of about \$25.00 per acre is considered part of the investment; Class B land, 6% where the land value of about \$5.00 per acre is included; and Class C land, about 4.5% to 5.0% where \$5.00 per acre is included as land value.

"While these rates are not impressive by way of attracting private capital they do represent positive returns on *all* of the costs of management including the capital investment required to get the operation started. Compared to the tremendous inputs in terms of provincial and federal grants required to keep the agricultural economy solvent, these rates of return must appear very attractive.

"One of the basic ingredients of a successful forestry program, however, is a program of sufficient scope to encompass an area which will supply the raw material (red pine) in sufficient volume to attract stable units of industry when the material becomes available for utilization about 25 years hence. An area of red pine plantation of 620,000 acres within a one-hundred mile haul of Lake Ontario (or some point on the Seaway) would appear adequate for the supply of a pulp plant from thinnings and other unused material from lumber and

veneer manufacture. This area could be provided by assigning less than 10% of the area within the indicated radius to red pine plantations.

"Although this proposal has merit from the point of view of providing cheap raw material for the future development of industry (a \$2.00 per cord stumpage value was assigned to the pulpwood), its real attraction at the present time is the opportunity which it provides to employ the presently under-employed rural population at useful work much in the line to which they are accustomed, i.e. planting trees, ploughing fire guards, spraying, fencing, etc. Also, this work will begin at once; there is no need for delay except possibly for the provision of adequate planting stock (about 25,000,000 the first year) and suitable arrangements for the continued use of the land for at least 50 years."

In the light of the foregoing, and despite many acknowledged difficulties, it would appear that the Ontario Department of Lands and Forests, in addition to the valid encouragement to private reforestation and stand improvement under its proposed Woodland Improvement Act, might also examine the practicability of entering into longer term agreements with private land owners both to reforest and manage acreages which are capable, in the opinion of the Department, of providing an economic yield of wood. Contracts covering such might be registered, and be binding on successive owners of the land affected during the life of the contract, except with the joint approval of the parties concerned. While owners could be employed by the Department in the management of their own forests, all cutting therein would be at the sole discretion of the Department.

As part of any longer term contract, the private land owner might be asked to continue to pay the existing level of municipal taxes on the land affected. The municipality, itself, might become a third party to the agreement and waive any levy over and above that now received from such land for the duration of the contract, or the Department could itself agree to pay for any increases in local levies subject to the recovery of the same, along with all other management costs, through a sharing of income when any portion or all of the wood is harvested.

Any such long term contract might provide that, with the agreement of both parties, the land might be acquired at current market by the Department or the municipality. This would provide a means of assisting a land owner to meet a personal emergency situation.

Agriculture

WHILE there may be room for some community pasture projects in townships with suitable soil characteristics, it is questionable, save in relatively isolated instances, whether too much of the land in the six townships studied is worthy of the attendant costs of fencing and pasture development.

Exceptions there are and it is desirable to study whether their number can be multiplied. For example in the Cape Chin area of Lindsay Township in the Bruce Peninsula, one resident of Lions Head has developed a very substantial acreage into a profitable livestock grazing opera-

tion through bulldozing and the spreading of birdsfoot trefoil grass by natural means.

The economics of fenced community pastures are indicated by the fact that it costs some \$88 per acre to fence 10 acres in square or near-square blocks; \$14 per acre to fence 100 acres; but only \$4 per acre to fence 1,000 acres.

In more northerly sections, however, it may be desirable for the Department of Lands and Forests in concert with the Department of Agriculture, to give consideration to policies which would favour beef-feeding and livestock production.

Assessment and Taxation

IT is apparent that, in certain of the townships, excessively low rates of assessment have contributed to the accumulation of large acreages of idle land by persons holding them for either recreational or speculative purposes.

For example, in the township of Lindsay in the Bruce Peninsula, where provincial subsidization is large, one 1,000 acre holding of bushland costs the owner only \$85 per year in municipal taxes.

Under the re-assessment programs currently being encouraged by the Department of Municipal Affairs it is likely that land assessments as low as \$1 per acre may soon prove to be the exception rather than the rule, but there is in these six townships quite a general policy of assessing wasteland or bushland at \$1.50 per

acre or less. In McCrosson-Tovell the assessment of such land is closer to current market value, which is \$3 per acre.

It would appear that just so long as the province continues to assume a share of local municipal costs in direct relationship to per capita assessment, assessments should generally reflect market value. At a 100 mil rate, the average in townships of this character, this would mean an annual tax of \$25 on a 100 acre holding of bushland having an assessed value of \$250.

There is, however, a basic problem here. If land is asked to carry too much of the cost of services to people as distinct from services to property, uneconomic land uses may well increase.

Recreational Development

ADEQUATE access is a prerequisite to any acceleration of the development of the recreational resources of rural Ontario generally. It would not appear that either Lands and Forests, Tourism and Information, or any other agency of government has as yet made any comprehensive inventory of potential recreational development within the slower growth regions of the province.

Such an inventory would require detailed land use studies but the investment of time and money would appear justified.

In three of the six townships studied, for example, (Lindsay, Monteagle and Carlow), some 300 cottages have been built on 540 properties. In Monteagle and Carlow full development of existing sites would double the current 50 cottages per township. In Lindsay the number could be more than doubled from its current 200.

Local access roads, especially in Monteagle and Carlow, would have to be improved, perhaps with the assistance of ARDA funds, but the municipalities could recapture much if not all such investment through increased tax revenue. In Lindsay most cottage areas are so serviced. None of the three townships, however, will experience a major acceleration of recreational development without an improvement in surfaced access roads from provincial highways. It might be noted that the Ontario Department of Lands and Forests has recently announced plans for the establishment of a large acreage of provincial parkland adjacent to Lindsay township.

In the same three townships there appears to be an opportunity to expand both deer and duck hunting. Bruce County as a whole could benefit from further promotion to the archer-hunter, especially if

major highway access is improved. In Carlow and Monteagle a more detailed study of the potential benefits of damming the York River to expand duck feeding areas seems warranted. Nearly all of the land concerned is held by the Crown.

Not to be overlooked is the substantial

evidence of a growing interest on the part of many urban dwellers in owning five, ten or twenty-five acres of rural treed land. This interest is strongly aesthetic — not financial — and is classifiable only with recreation. Promoted and cultivated, it too will contribute to rural employment and income.

Rural Housing

IN the three southern townships studied, marginal and sub-marginal housing continues to hamper a sound growth pattern. Current rural housing policies bolster the use of present housing on a “retreat” basis, or as a home base for part-time or full-time off-farm employment.

The difficulty of financing the construction of dwellings in a marginal farming area is quite evident by reference to the National Housing Act. Mortgage assistance available for building or enlarging a farm home is limited to a farm site “used for any tillage of the soil, including livestock raising, dairying and fruit growing”. Corporate borrowers are the only eligible applicants for mortgage assistance for housing related to lumbering, logging or fishing.

School transportation costs, road maintenance, and many other related service charges could, however, be materially reduced if it were possible to promote some acceleration of the trend toward hamlet and highway living.

Reforestation of idle lands will tend to assist in hiving the population. Wherever the Department of Lands and Forests acquires land outright, it would appear wise to raze any unoccupied dwellings of sub-standard construction or, where they are adequate and movable, to relocate them in better serviced areas.

Much of the concentration of housing in townships such as these would come about naturally, and at a faster rate, if it were possible for the C.M.H.C. or Ontario Housing Corporation to make available rental units or adequate mortgage funds in specified communities. While certain of the agricultural operations will require on site living, persons employed in forest management, or combining off-farm employment with marginal agricultural enterprises, would be much more economically located, from the point of view of the province, the municipality and of their neighbor taxpayers, if their housing could be more geographically concentrated.

Method of Study

WITH certain exceptions listed in the next paragraph, all the data required for the review was found on the township assessment rolls.

Those exceptions were:

1. Taxes payable (to be found on tax rolls)
2. Farmer activity (i.e. part-time, full-time or non-farmer)
3. Consolidated properties
4. Approximate gross income from the soil

The latter three items were obtained from knowledgeable local (present or former) township or county officials.

The form used in gathering the data is included here as Appendix I.

Properties of 25 acres and larger were segregated from smaller holdings.

The appreciation of the committee is extended to the personnel of the Department of Municipal Affairs who carried out the accumulation of this data in the Townships of Lindsay, Harley, Brethour and McCrosson-Tovell.

The Council is also indebted for the willing and capable assistance of present or former assessors or clerks of the various townships who contributed valuable information not otherwise obtainable.

For each rural property in a township, as it was listed, the assisting official was asked to estimate what might be the gross annual income from the soil*, and the operator's classification as a full-time, part-time or non-farmer. In the summer of 1965, in the course of an ARDA financed study, interviews in Monteaale Township verified in total the estimated incomes previously obtained as above, within 5% plus or minus variation.

The occupational ratings are considered highly accurate since the populations are low and relatively stable.

The "slotting" method of estimating income was used, classifying likely gross income (from the soil only) as one of the following:

			Value Used in Calculating Totals
1.	Under \$100		(Average \$ 50)
2.	\$ 100 and up but	Under \$ 600	(Average \$ 350)
3.	\$ 600 and up but	Under \$1,200	(Average \$ 900)
4.	\$1,200 and up but	Under \$2,400	(Average \$1,800)
5.	\$2,400 and up —		(Specific Amount)

*See definitions, P. 2

Appendices

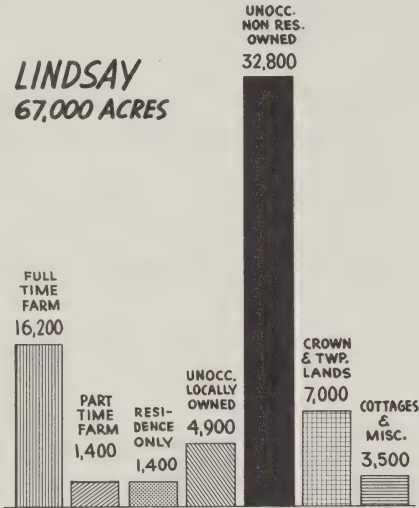
In the following pages there is recorded most of the data gathered in the course of the study.

There is not included here a Field Data Worksheet. Copies are available upon request from the Ontario Economic Council, 950 Yonge Street, Toronto, Ontario, Canada.

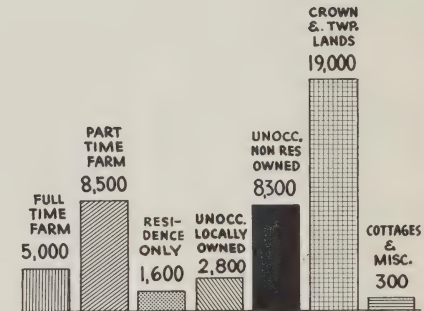
CHART V

LAND USE in the six Townships varied widely both in terms of actual acres involved, and in the pattern of the "mix"

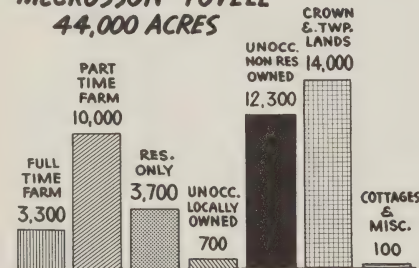
LINDSAY
67,000 ACRES



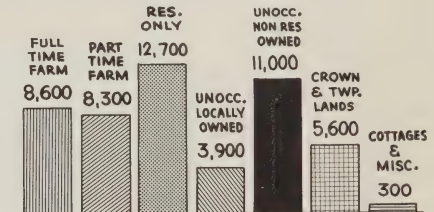
CARLOW
45,700 ACRES



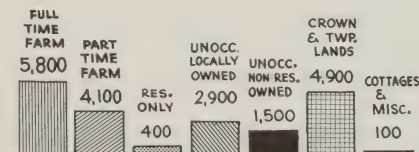
McCROSSON-TOVELL
44,000 ACRES



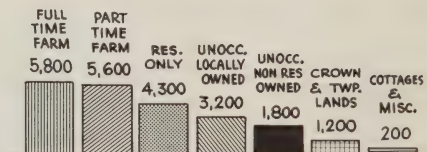
MONTEAGLE
50,000 ACRES



BRETHOUR
19,600 ACRES



HARLEY
22,000 ACRES



Utilization of the Soil

ALL properties on the assessment rolls were classified

- (a) by size (25 acres and up versus those under 25 acres)
- (b) by usage

Chart V opposite illustrates these acreage breakdowns to scale, summarizing the actual data as presented in pages 30 to 32 inclusive. Activities involving properties under 25 acres are not significant on the scale of this chart except in the Township of Lindsay.

THE FARMING SECTOR

Farming — on the above evidence — utilizes one third of the soils involved. Only one township in this group (Lindsay) classifies all land for assessment purposes as either "cleared" or "waste". On Lindsay's farms, the cleared acreage was some 21% of the total. Observation and the scrutiny of the Lands and Forests Inventory maps used to plot the property-records indicated this figure as probably safely representative for all the townships in the sample. If one applies the figure of 21% across the total farm acreage in all townships, then farming as such (other than grazing on rough lands

or the harvesting of timber) involves only some 17,000 acres of cleared land, or 7% of total township acreage. If one allows a "safety factor" of 50%, and assumes 10% as cleared, farm income comes from only 25,000 acres. And what is that income?

Table 2 would indicate that 86% of the total yield of the soil, or \$402,500, may well have come from 17,000 to 25,000 acres, yielding a per acre revenue of \$16 to \$24 per annum.

For the townships of Monteaale and Carlow, after the properties had been blocked out on a large-scale township map, each holding was identified with the current usage classification as in Table 1. Then, from the Soil Survey of Hastings County*, lines were drawn in to delineate those areas where soils had been identified as most suitable for farming activity.

The degree of correlation is near-perfect. Back in the closing years of the nineteenth century and the early years of the twentieth, very much greater areas were farmed in both townships. But with

*"Soil Survey of Hastings County", Report No. 27 of the Ontario Soil Survey, Depts. of Agriculture (Canada and Ontario) 1962.

TABLE 1
Total Acreage Summary
(SIX TOWNSHIPS)

	Acreage	% of Total
Farming (Full-time, 44,696)		(18.0)
(Part-time, 38,010)		(15.3)
Farming total	82,706	33.3
Rural Residences	24,166	9.7
Unoccupied (locally owned)	18,445	7.4
Unoccupied (non-resident)	67,722	27.0
Crown and Township	51,848	20.7
Other	4,631	1.9
	249,518	100.0

TABLE 2
Summary of Estimated Gross Income from the Soil
(SIX TOWNSHIPS)

	On Farms	On Other Acreage	Total
Monteaale	\$ 62,250	\$ 5,600	\$ 67,850
Carlow	52,650	100	52,750
Lindsay	89,550	24,200	113,750
Harley	52,500	16,500	69,000
Brethour	88,600	16,600	105,200
McCrosson and Tovell	56,950	3,900	60,850
Total (\$)	\$402,500	\$66,900	\$469,400
Total (%)	86	14	100

Utilization of the Soil

(Continued)

changes in agricultural technology, the only land now being farmed at all lies strictly within the area of the soils with preferred capability. That even these acres continue in use may be more related to habit patterns than to economics.

Data on the farm population represented, to be found later in this report, reflects on that angle.

Non-Farm Sector

Some 10% or less of total acreage in the townships under study is cleared land devoted to agriculture. Table 1 on page 17 and Chart 5 facing page 17 outline the use (or non-use) of the remaining 90%-plus of total acreage.

- (a) An additional 23% (making up one-third of all acreage) belongs to full-time and part-time farmers.
- (b) Under 2% is in under-25-acre plots as residences, businesses, cottages and cottage-properties, school and church land, etc.
- (c) Just over 20% is Crown and township land—swamp, scrub, slash, and timberland. A very few acres of this is held by townships for unpaid taxes. Included (in Lindsay Township) is county forest land.
- (d) Nearly 10% is held idle as "rural residences". This practice is most pronounced in Monteagle where much off-farm employment is available, and least so in Lindsay where the region offers little off-farm em-

ployment. Off-farm employment demands year-round cleared roads for travel. Where these two opportunities are in conjunction, all farmland adjacent to the dwellings involved almost inevitably falls idle. This phenomenon, frequently noted by critics of metropolitan development, is equally evident in Monteagle, Harley and McCrossan and Tovell.

- (e) The remaining one-third of the total (34.4%) is unoccupied land, privately-owned and idle in very high degree. One-fifth of it (7.4% of the total area) is owned by local residents—many of them in neighbouring townships. The other four-fifths (27% of total land area) is owned by non-residents—in several of the provinces of Canada, many of the states of the United States, and even, occasionally, in Europe.

To summarize, of 250,000 total acres in these six townships:

- one-third is held by farmers (though probably less than one-quarter of this acreage is cleared)
- one-third is principally idle and unoccupied, owned partly by local people and partly by non-residents
- one-third is idle land, part of it as rural residential properties, much of it as Crown and township property
- less than 2% is in under-25-acre plots for cottage, residential and business use

TABLE 3
Occupational Distribution of
Families Resident on 25 Acres and Up

Township	(25 acres and up)		Ratio Full-time to Part-time Farm	(25 acres and up)		Ratio Farm to Other Rural Resident
	Full-time Farm	Part-time Farm		Total Farm	Other Rural Resident	
Monteagle	30	36	5 to 6	66	73	11 to 12
Carlow	19	27	2 to 3	46	9	5 to 1
Lindsay	55	8	7 to 1	63	4	16 to 1
Harley	19	38	1 to 2	57	35	8 to 5
Brethour	21	24	1 to 1	45	3	15 to 1
McCrossan and Tovell	9	37	1 to 4	46	24	2 to 1
	153	170		323	148	

Human Resources and Productivity

On page 34 is recorded the estimated gross income (from the soil) of the part-time and full-time farmers of each township.

Some 49% of full-time farmers have incomes from the soil over \$1,200 annually but under \$3,000. But 60% of the part-time farmers receive under \$600 annual income from the soil. Higher income-levels appear in Brethour and McCrosson and Tovell where only one full-time farmer is down in the \$1,200-\$2,400 slot; while only Carlow rivals both these two townships in the number of part-time farmers in the \$600-\$1,200 and \$1,200-\$2,400 slots for income from the soil.

Table 3 opposite this page summarizes for each township the ratios of farmers to non-farmers on 25-acre and larger plots.

The relationship between farming activity and the availability of off-farm employment becomes much more evident from the table opposite.

Monteagle residents, for example, have the greatest opportunity for off-farm employment. The Town of Bancroft, with its varied industries, adjoins the southwest corner of the township; mining, quarrying and lumbering provide employment in Dungannon and Faraday Townships (south) and Herschel (west), Wicklow and Bangor (north) are summer vacation areas. Hence, one finds twelve rural resident families for each eleven farm families, and half the farmers farm only part time. Carlow (the adjoining township on the east) has only one rural

resident family for each five farm families, and two out of five farmers are full time.

At the opposite extreme, there is but one rural resident family in Lindsay for each sixteen farm families, and eight farmers in nine farm full time.* In Brethour, there is only one rural resident family for each fifteen farm families, but half of the farmers farm only part time.

Why have so many of the farmers in these townships turned to off-farm employment? The basic reason is, of course, the difficulty of achieving sufficient cash income from the combination of poor soils and remote markets.

A second reason for the occupational distribution in the sample townships may be related to the age-distribution of these farm populations presented on page 4 as compared with the Canadian national average.

Only 10% of the 322 farmers is 35 years of age or under. But 69% are 45 years of age or older; 42% are over 55; and 29% are over 60.

Of the 152 full-time farmers, 46% are over 55. Presumably, most of these farmers find even part-time off-farm employment preferable to seeking a questionable income from full-time devotion to the labours of a poor farm.

*As noted earlier, there is evidence that a large proportion of full-time farmers in Lindsay do earn additional income both summer and winter from "odd-job" and "caretaking" tasks for summer cottagers.

CHART VI



RATIO OF PROVINCIAL GRANTS TO MUNICIPAL TOWNSHIP INCOME PER CAPITA (1964) varied from 88% in McCrosson-Tovell to 412% in Monteaagle

Average Municipal Income
(per capita)

347 Townships = \$107

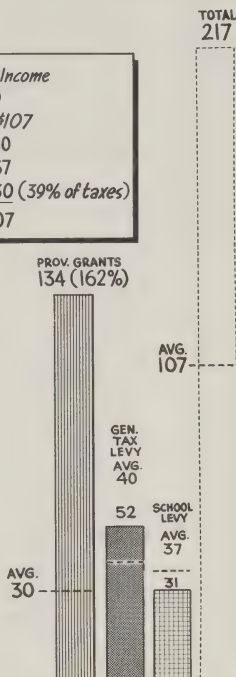
Gen. Tax Levy \$40

School Levy \$37

Prov. Grant \$30 (39% of taxes)

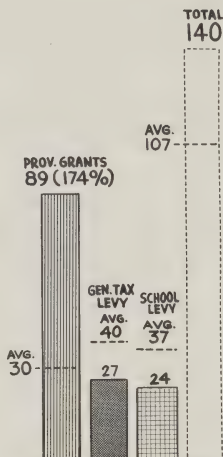
Total \$107

Lindsay

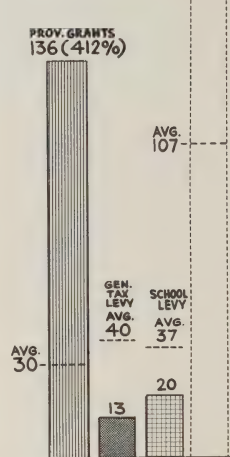


RURAL TOWNSHIPS (UNDER 5000 POP.) IN COUNTIES

Carlow



Monteaagle



Average Municipal Income
(per capita)

132 Townships = \$87

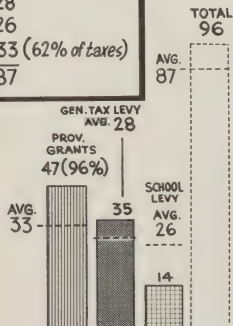
Gen. Tax Levy \$28

School Levy \$26

Prov. Grant \$33 (62% of taxes)

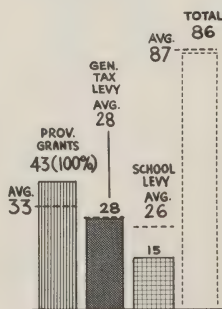
Total \$87

Harley

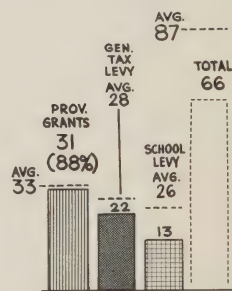


RURAL TOWNSHIPS (UNDER 5000 POP.) IN DISTRICTS

Brethour



McCrosson-Tovell



Comparison of Rural Township Municipal Revenue Sources

Chart VI opposite this page illustrates the following:

1. Why these six townships were chosen for study.
2. The sources of funds in each township.
3. A comparison of the funds obtained

from each source with the average for other townships.

The townships in the study group represented marginal economies, but neither the best nor the worst by comparison with other rural townships in Ontario. The data charted are summarized as follows:

Comparative Average Per Capita Taxation in Townships Studied

RURAL TOWNSHIPS IN COUNTIES

	<u>Average of 347 Townships</u>	<u>Monteagle</u>	<u>Carlow</u>	<u>Lindsay</u>
1. School Tax	\$37	\$20	\$24	\$31
2. General Levy	\$40	\$13	\$27	\$52
3. Total Tax	\$77	\$33	\$51	\$83

RURAL TOWNSHIPS IN DISTRICTS

	<u>Average of 132 Townships</u>	<u>Harley</u>	<u>Brethour</u>	<u>McCroscon- Tovell</u>
1. School Tax	\$26	\$14	\$15	\$13
2. General Levy	\$28	\$35	\$28	\$22
3. Total Tax	\$54	\$49	\$43	\$35

The seeming discrepancy between the above two groups of townships is discussed further on pages 27 and 28.

The first group of three gain one-third or more of their tax income from other

sources within the township, yet still receive very high grants. The second group have almost no other township municipal income than that shown here, but receive relatively modest grants.

PROVINCIAL GRANTS PER CAPITA

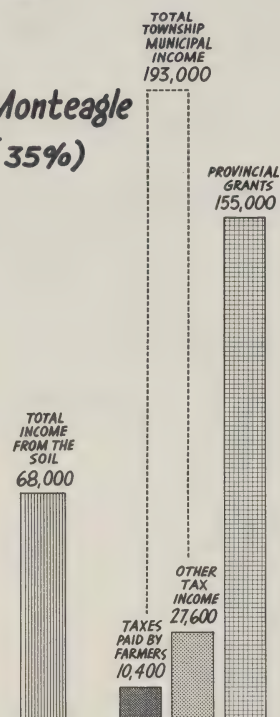
<u>Average in 347 Townships in Counties</u>	<u>Monteagle</u>	<u>Carlow</u>	<u>Lindsay</u>
\$30	\$136	\$89	\$134
<u>Average in 132 Townships in Districts</u>	<u>Harley</u>	<u>Brethour</u>	<u>McCroscon- Tovell</u>
\$33	\$47	\$43	\$31



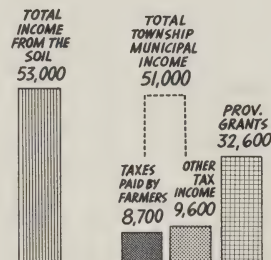
CHART VII

The Ratio of Income from the Soil to Total Township Municipal Income ranged widely from 35% in Monteagle to 490% in Brethour.

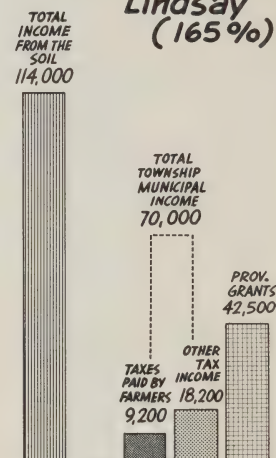
Monteagle (35%)



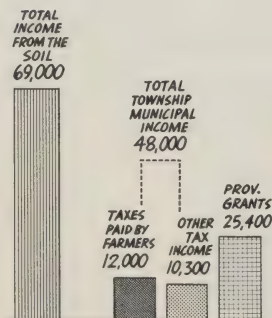
Carlow (104%)



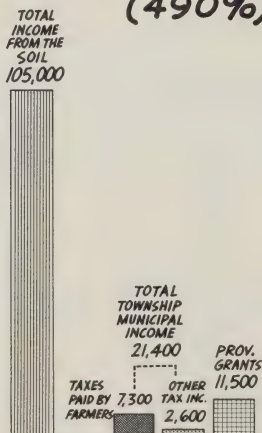
Lindsay (165%)



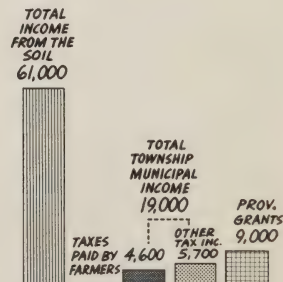
Harley (144%)



Brethour (490%)



McCrosson-Tovell (320%)



Estimated Gross Income From the Soil as Compared with Total Township Municipal Income

In Chart VII opposite this page, the portrayal of municipal township income is in total; in the previous chart (Chart VI), it was shown on a per capita basis.

By referring to pages 30 and 31, it is apparent that Monteagle's population is more than twice that of Harley, yet they show about the same total estimated income from the soil. Reference to Table 4 on this page shows that Harley's farmers pay more taxes per acre and per farm by a wide margin, though there are fewer of them—in fact only two-thirds the number of full-time farmers.

Lindsay (less than one-third the population of Monteagle) has over 50% more income from the soil and about the same number of farmers (Table 4), though most of them are full time. Yet taxes paid by farmers are much lower per acre and per farm than Monteagle.

Brethour's population is under one-quarter that of Monteagle, yet the income from the soil is 50% larger.

Carlow and McCrosson-Tovell provide a useful comparison. Similar in total acreage, total population and in farm acreage, they have also the same number of farmers, though there is double the number of full-time farmers in Carlow. Carlow farmers pay almost twice the total taxes paid by McCrosson-Tovell farmers—and therefore twice as much per acre and per farm. Yet Carlow's Provincial grants totalled \$32,600 in comparison with McCrosson-Tovell's \$9,000.

Monteagle and Lindsay farmers, of course, have the assistance of many other taxpayers in meeting municipal costs; so also has Harley, in smaller degree.

Carlow farmers must carry more of the burden themselves and Brethour and McCrosson-Tovell farmers have almost no other resident taxpayers.

The two sections immediately following explore other angles of the relationship between taxes and soil productivity, or its lack.

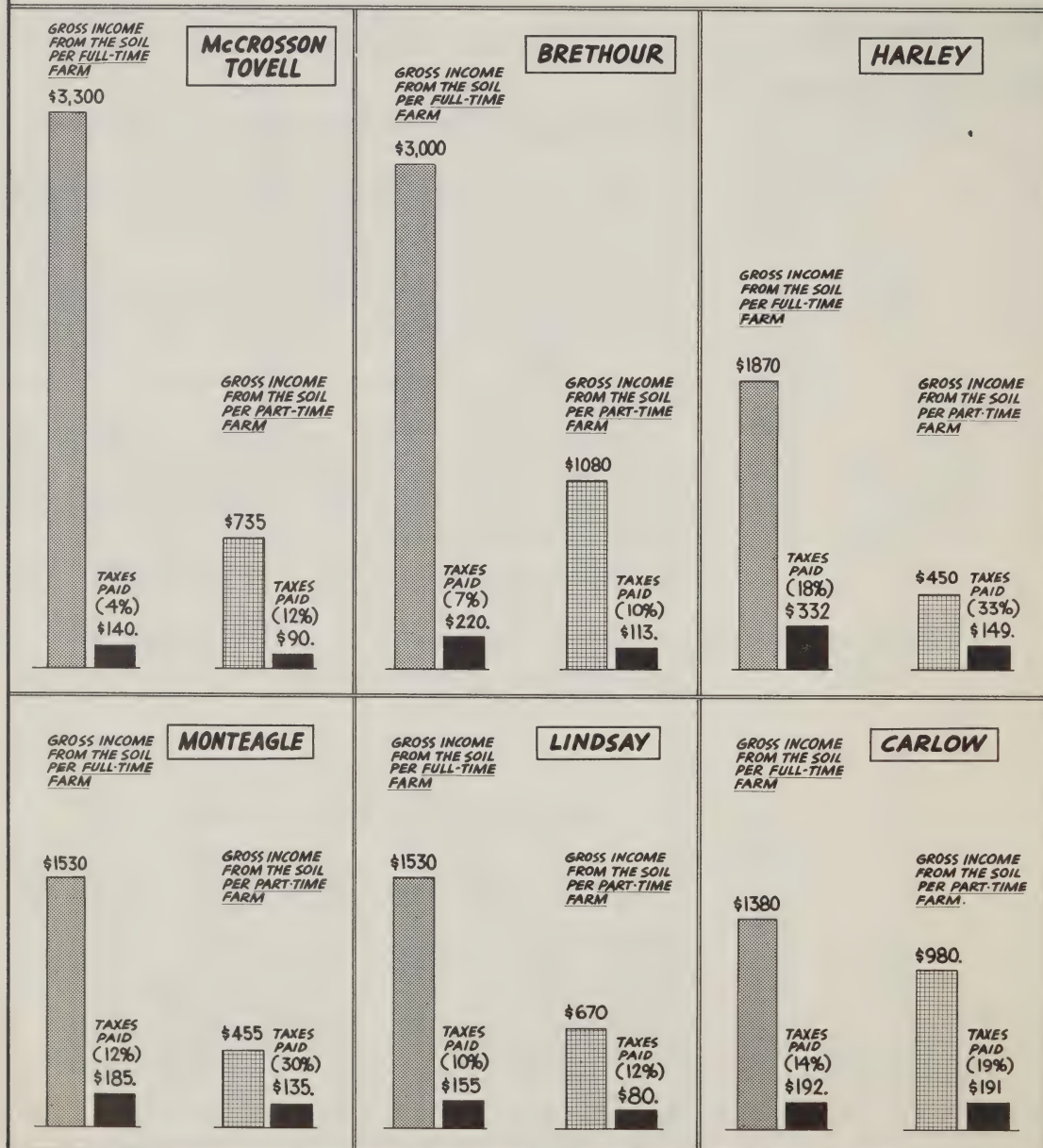
TABLE 4
Taxes Paid by Full-time and Part-time Farmers

Township	Full-time Farmer	Part-time Farmer	Total	Total Tax	Total Farm Acres	Taxes Paid	
						Per Acre	Per Farm
Monteagle	30	36	66	\$10,399	16,841	\$.62	\$158
Carlow	19	27	46	8,740	13,548	.65	190
Lindsay	55	8	63	9,182	17,605	.52	146
Harley	19	38	57	11,957	11,410	1.05	210
Brethour	21	24	45	7,321	9,866	.74	163
McCrosson and Tovell	9	37	46	4,554	13,436	.34	99



CHART VIII

Township Taxes per Farm ranged from 4% in McCrosson-Tovell to 33% in Harley as percentages of the farm Gross Income from the Soil



Estimated Gross Income From the Soil as Compared with Township Taxes, per Farm

Chart VIII (opposite) portrays graphically the above relationship for full-time and part-time farmers in each of the six townships. The totals of gross income and taxes paid for each group, and the percentage of his gross income from the soil paid out in municipal taxes by the average farmer is detailed on page 34.

Because local rural taxpayers alone must pay most of its municipal expenses, Harley's *full-time* farmers pay in taxes 18% of their estimated annual gross from the soil of \$1,870 (see also page 34) whereas Monteagle's full-time farmers (page 34) pay 12% only of their smaller estimated gross of \$1,530. Full-time farmers in Brethour and McCrosson-Tovell, grossing \$3,000 and \$3,300 from

the soil pay only 7% and 4% respectively in township taxes.

Part-time farmers in Harley and Monteagle pay 30% to 33% of their estimated soil gross in taxes. Other part-time farmers pay 10% to 12% except in Carlow where 27 part-time farmers pay a healthy 19% of their \$980 estimated soil gross.

Certainly there is no evident pattern in the above. It should be noted that Brethour and McCrosson-Tovell stand out in one respect. There are only farmers to demand services in those townships, and few others than the farmers to pay for them. Their road costs are lower, their provincial grants are lower — and their township taxes are much easier on their pocketbooks.



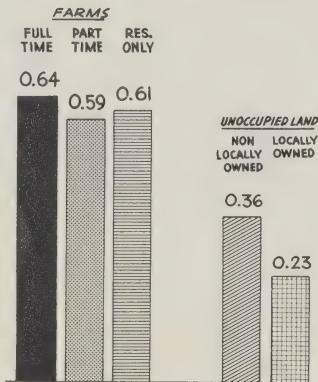
CHART IX

The average level of 1964 MUNICIPAL TAXES on properties of 25 acres or more VARIED WIDELY... as much as 300% on unoccupied land.

Monteagle

60%

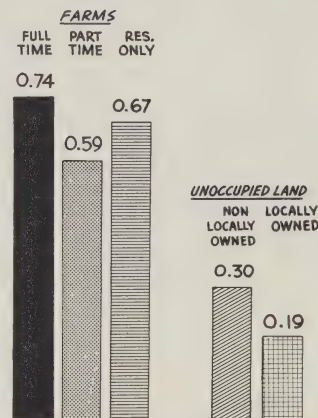
SHARE OF TOTAL
TOWNSHIP TAXES
PAID BY THESE
PROPERTIES (1964)



Carlow

70%

SHARE OF TOTAL
TOWNSHIP TAXES
PAID BY THESE
PROPERTIES (1964)



Harley

90%

FARMS

FULL TIME	PART TIME	RES. ONLY
1.08	1.01	0.93

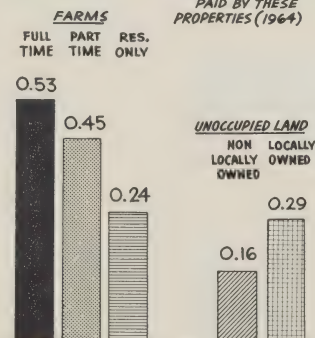
UNOCCUPIED LAND

NON LOCALLY OWNED	LOCALLY OWNED
0.82	0.97

Lindsay

60%

SHARE OF TOTAL
TOWNSHIP TAXES
PAID BY THESE
PROPERTIES (1964)



Brethour

100%

FARMS

FULL TIME	PART TIME	RES. ONLY
0.80	0.66	0.33

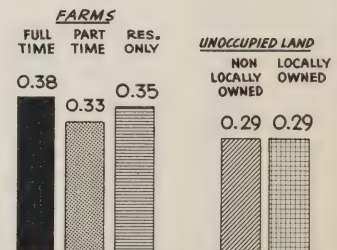
UNOCCUPIED LAND

NON LOCALLY OWNED	LOCALLY OWNED
0.50	0.58

McCrosson - Tovell

94%

SHARE OF TOTAL
TOWNSHIP TAXES
PAID BY THESE
PROPERTIES (1964)



Average Township Taxation per Acre

Chart IX illustrates the facts recorded in pages 30 to 32 for the five classifications of property represented. There are wide variations in tax yields per acre, both between and within townships.

This chart covers total municipal taxation on each class of property including buildings. It is not the purpose of this report to say that \$1.00 per acre on farmland in Harley is too high or 33¢ to 38¢ in McCrosson-Tovell is too low. Or whether the non-farming rural resident should pay the same, or less, or more per acre than his farming neighbour.

It is nevertheless, desirable to seek out explanations for the seeming disparities.

On page 35 will be found a summary of the Land Assessment rates and the mil rates for the six townships. It is

readily apparent that Harley's per acre assessment runs as high as five times that of Lindsay and two-and-a-half to three times that of Monteagle. The differences are most marked in the wasteland or bushland classification.

The disparity in taxation in Lindsay is enlarged by the lower mil rate.

So while the difference in land tax yields on occupied properties between these townships, as they appear on Chart IX, could be influenced in some degree by the assessment on buildings, the same is not true for unoccupied properties, where there are few buildings of any value. At the tax yields shown, these large areas of principally idle land are making a relatively small contribution to township operating costs. This matter is investigated further on page 28.

Can the Farms Pay More Municipal Taxes?

It can be seen by reference to Chart IX that Monteagle, Carlow and Lindsay are able to obtain more than one-third of their total tax income from small land owners, cottagers, businesses, etc., whereas the other three townships have a negligible amount of income from such sources.

Yet Monteagle, Carlow and Lindsay are much the largest recipients of Provincial grants. Does this mean that in these townships the Province is subsidizing rural taxation?

Seeking an answer to that question, it was first re-stated in another form, as follows. If no such "assistance" from other taxpayers existed in the three townships named, and all taxes had had to

come from the owners of rural land, what taxes would these taxpayers on twenty-five acres and larger have had to pay in 1964? (They account for more than 98% of all taxable acreage.)

For example, in Monteagle (see page 30) the total taxes of \$37,941 would have had to be collected from the properties totalling 44,432 acres, which actually only paid \$22,975. This is a 66% increase in Monteagle; other townships vary as shown in Table 5, from 0 to 68%.

Because this impact would seem to throw a heavy burden on the occupied properties, Table 5 investigates the effects of such increases only on the properties of resident families, whether farming or not.

TABLE 5
Revised Township Taxes on Occupied Rural Properties

Township	No. of Occup. Rural Props.	Total Actual Taxes (1964)	Total Taxes Required	% Increase	Revised Taxes on Occup. Rural Props.		Increase in Tax \$ Per Farm
					Per Acre	Per Farm	
Monteagle	139	\$18,153	\$30,000	66	\$1.09	\$217	\$86
Carlow	55	9,812	14,000	43	.93	255	77
Lindsay	67	9,518	16,000	68	.84	240	98
Harley	92	15,939	17,200	9	1.10	189	16
Brethour	48	7,463	7,463	0	.72	156	0
McCrosson and Tovell	70	5,850	6,340	8	.37	90	6

Can the Farms Pay More Municipal Taxes?

(Continued)

It is readily apparent that an intolerable increase is thrown upon rural householders in Montegale, Carlow and Lindsay. The level of productivity of the soil as of the present in those three townships simply will not carry the tax charges per acre on cleared land which are in effect in Harley and Brethour.

The taxpayers of the Province have little choice but to make up the difference—and to continue to do so—until productivity improvements are achieved, or a modified tax basis is devised.

There is an important reservation connected with the last statement above, how-

ever. While a 68% overall increase in taxes per acre in Lindsay means \$98 annually added to the taxes of the average rural resident (be he farmer or non-farmer), it means only \$5.67 annually to any owner of 100 acres of bushland, over and above the \$8.34 which he currently pays. Some increased contribution to municipal costs from wasteland or bushland seems both feasible and desirable.

Again, by a different course of reasoning, one comes back to the problem of township financing which stems from the low values placed upon those increasing areas of so-called "useless" land.

Unoccupied Property, Non-Resident Owned

This classification of property totals 68,000 acres, over one-quarter (27%) of the area of the six townships, and yields an average of 26¢ per acre in taxes. Since the total cost of all services for these townships for 1964 was \$1.62 per acre (i.e. 52¢ in taxes and \$1.10 in grants) this 68,000 acres created a deficit on average of \$1.36 per acre or \$92,500 to be carried by other taxpayers and the Province.

Most of these 68,000 acres are wasteland or bushland. Without detailed analysis, it can be assumed with confidence that at least an additional 68,000 acres (all wasteland and bushland) is owned by residents and is taxed on the same basis.

The assessment base may be quite correctly related to the value of these

130,000 acres in the light of its present usage (or unusage). But with more acreage headed in the same direction it is obvious that uses must be found for this land, so that (soon, if possible, but certainly in later years) it can return at least its cost of local administration, in addition to local employment. Attention should be directed to the possibility of obtaining a larger tax yield meantime.

It is illuminating for instance to look at the type of non-resident owner represented. Almost 10,000 acres in Lindsay is owned by residents of Ohio and Michigan. Another 526 acres is divided among residents of California, Florida, New Jersey, New York, Illinois, Wisconsin, and Missouri.

Some 900 acres in Carlow and Montegale are owned by residents of Quebec,

TABLE 6
Unoccupied Property, Non-resident Owned

Township	Total Acres N.R. Prop'y*	Total* \$	Taxes Paid as % of Tot. Twp. Rev.	Average* Tax per Acre	Min. Tax per Acre (Wasteland)
Montegale	11,000	3,944	10%	\$.36	\$.17
Carlow	8,300	2,457	13%	.30	.14
Lindsay	33,000	5,308	19%	.16	.08
Harley	1,900	1,506	7%	.81	.54
Brethour	1,500	752	7%	.50	.17
McCrosson and Tovell	12,300	3,546	34%	.29	.25 - .27
Totals	68,000	\$17,513	14%	\$.26	

*From Pages 30 through 32.

Unoccupied Property, Non-Resident Owned

(Continued)

Manitoba and B.C. Over 2,200 acres are divided among residents of many of the States of the United States, and 100 acres belongs to a resident in Europe.

There is something akin to "land-hunger" growing among the residents of our urban and industrial areas. The New York State Forestry Service reports 255,000 individual owners of plots of bushland or forestland. The large majority of these people have not purchased land and trees with any thought of gain.

Owners of bushland in Lindsay township pay only nominal amounts. An owner of 887 acres pays \$72.28 per year. An owner of 1,004 acres pays \$88.96 per year. Innumerable owners of 100 acres each pay \$8.34 per annum. It is most doubtful that these people would protest any reasonable increase in such taxes.

It might be noted that in 1962 The Canadian Tree Farmers Association in a brief to the Senate Committee on Land Use contended that a high land tax makes it unprofitable to retain certain property

and discourages stand improvement. The Extension Forester at the University of Vermont was quoted as saying "20 cents per acre per year is about a maximum tax burden if the land use is timber growing".

Few of the wasteland tax-rates presented in Table 6 would appear to restrict reforestation—in fact, almost all could be increased—the amount of the increase depending upon the amount of service to be provided by the Province.

There are presently many reforested plots in Monteagle and Carlow, and one major private reforestation project in each. In fact, one individual in Carlow is reported to already have more acreage reforested than is represented in the Hastings County Forest.

Certainly in these two townships there appears to be little standing in the way of promising reforestation except a lack of governmental encouragement which would stimulate private initiative.

Pensions and Welfare Grants (Provincial and Federal) in the six Townships

IN the 1964 year, the Province provided \$13,407 in Welfare grants in the six townships.

The actual ages of all property owners were obtained from the assessment rolls, with the exceptions noted in Table 7. Those counts were used to estimate the number of Old Age Pension recipients.

It was assumed that the total counts

obtained could be doubled to account for spouses or occasional brothers or sisters unrecorded.

Adding the Provincial Welfare grants of \$13,407 to the estimated Federal Pensions of \$145,800 indicates a total of \$159,200 paid in Welfare and Pension assistance. The total municipal township tax yield in the same year was \$126,200.

TABLE 7
Estimated Old Age Pension Payments

Township	No. of Prop'y Owners 70 and Over				x 2	x \$900 Annually	70 and Over		Total Pension \$
	Full- time Farmers	Part- time Farmers	Non- Farmers	Total			Other Res. x 2	x \$900 Annually	
Monteagle	*	12*	*	12	24	\$21,600	20	\$18,000	\$ 39,600
Carlow	*	5*	*	5	10	9,000	10	9,000	18,000
Lindsay	10	4	0	14	28	25,200	12	10,800	36,000
Harley	2	5	6	13	26	23,400	4	3,600	27,000
Brethour	1	1	2	4	8	7,200	0	0	7,200
McCroscon- Tovell	1	5	2	8	16	14,400	4	3,600	18,000
Totals					112		50		\$145,800

*Data were not taken by specific ages. These figures are one-half the taxpayers over 65.

SUMMARY: Acreage — Taxes Paid — Gross Income from the Soil

Monteagle

House-holds	Classification	Acres		(1964) Taxes Paid		Gross Income from the Soil	
			Sub-Totals	Total \$	\$ Acre	Total \$	\$ Acre
	<u>25 acres and up</u>						
30	Full-time farmers	8,572		5,538	0.64	45,900	5.30
36	Part-time farmers	8,269		4,861	0.59	16,350	2.00
73	Rural Residences	12,744	29,585	7,754	0.61	5,600	0.44
	Unoccupied, Locally owned*	3,920		878	0.23	φ	φ
	Unoccupied, non-resident owned	10,927		3,944	0.36	φ	φ
139			44,432	22,975	0.52	67,850	1.55
	<u>Under 25 acres</u>						
	Cottages and Cottage props			1,617		φ	φ
120	Residences	323		10,702		φ	φ
	Business and non-farm			2,647		φ	φ
	Exempt (various)	19		φ		φ	φ
			342	14,966		φ	φ
	<u>Crown Lands</u>	5,593		φ			
			5,593	**			
	Grand Totals		50,367	\$37,941	\$0.75	\$67,850	\$1.34

*Ownership within the township, or in an adjoining township

**\$37,401 as per Tax Summary, Dept. of Mun. Affairs

Carlow

House-holds	Classification	Acres		(1964) Taxes Paid		Gross Income from the Soil	
			Sub-Totals	Total \$	\$ Acre	Total \$	\$ Acre
	<u>25 acres and up</u>						
19	Full-time farmers	5,051		3,724	0.74	26,200	5.20
27	Part-time farmers	8,497		5,016	0.59	26,450	3.10
9	Rural Residences	1,615	15,163	1,072	0.67	φ	φ
	Unoccupied, locally owned*	2,824		539	0.19	φ	φ
	Unoccupied, non-resident owned	8,300		2,457	0.30	φ	φ
55			26,287	12,808	0.48	52,650	2.00
	<u>Under 25 acres</u>						
	Cottages and Cottage Props	282		2,180	7.70	φ	φ
49	Business and Residential	79		3,300	42.00	φ	φ
			361	5,480			
	<u>Crown Lands</u>	19,041	19,041	φ		φ	φ
				**			
	Grand Totals		45,689	\$18,288	\$0.40	\$52,650	\$1.15

*Ownership within the township, or in an adjoining township

**\$18,624 as per Tax Summary, Dept. of Mun. Affairs

SUMMARY: Acreage — Taxes Paid — Gross Income from the Soil

Lindsay

House-holds	Classification	Acres		(1964) Taxes Paid		Gross Income from the Soil	
		Sub-Totals		Total \$	\$ Acre	Total \$	\$ Acre
	<u>25 acres and up</u>						
55	Full-time farmers	16,175		8,543	0.53	84,200	5.20
8	Part-time farmers	1,430		639	0.45	5,350	3.75
4	Rural Residences	1,381	19,986	336	0.24	2,300	1.66
	Unoccupied, locally owned*	4,905		1,437	0.29	8,550	1.74
	Unoccupied, non-resident owned	32,776	39,062	5,308	0.16	13,350	1.66
67			56,667	16,263	0.29	113,750	2.00
	<u>Under 25 acres</u>						
	Cottages and Cottage Properties	3,472		9,215		φ	φ
22	Residential	29		996		φ	φ
	Business	94		913		φ	φ
			3,595	11,124	3.07		
	<u>Crown and Twp. Lands</u>	7,011	7,011	φ		φ	φ
				**			
	Grand Totals		67,273	\$27,387	\$0.41	\$113,750	\$1.70

*Ownership within the township, or in an adjoining township

**\$27,302 as per Tax Summary, Dept. of Mun. Affairs

Harley

House-holds	Classification	Acres		(1964) Taxes Paid		Gross Income from the Soil	
		Sub-Totals		Total \$	\$ Acre	Total \$	\$ Acre
	<u>25 acres and up</u>						
19	Full-time	5,803		6,305	1.08	35,550	6.10
38	Part-time farmers	5,607		5,652	1.01	16,950	3.00
35	Rural Residences	4,293	15,703	3,982	0.93	3,150	0.75
	Unoccupied, locally owned*	3,170		3,052	0.97	8,900	2.80
	Unoccupied, non-resident owned	1,863	9,326	1,506	0.82	4,450	2.40
92			20,736	20,500	0.99	69,000	3.12
	<u>Under 25 acres</u>						
9	Cottages, business and non-farm activities	167		1,824		φ	φ
	<u>Crown Lands</u>	1,248	1,415	φ		φ	φ
	Grand Totals		22,151	\$22,321	1.01	\$69,000	\$3.12

*Ownership within the township, or in an adjoining township

SUMMARY: Acreage — Taxes Paid — Gross Income from the Soil

Brethour

House-holds	Classification	Acres		(1964) Taxes Paid		Gross Income from the Soil	
			Sub-Totals	Total \$	\$ Acre	Total \$	\$ Acre
	<u>25 acres and up</u>						
21	Full-time farmers	5,750		4,615	0.80	62,550	10.80
24	Part-time farmers	4,116		2,706	0.66	26,050	6.30
3	Rural Residences	439	10,305	142	0.33	100	
	Unoccupied, locally owned*	2,885		1,676	0.58	14,000	4.80
	Unoccupied, non-resident owned	1,520	4,844	752	0.50	2,500	1.60
48			14,710	9,891	0.67	105,200	7.15
	<u>Under 25 acres</u>						
2	Residential	47	47	42		φ	φ
	<u>Crown and Township</u>	4,896	4,896	φ		φ	φ
	Grand Totals		19,653	\$9,933	\$0.52	\$105,200	\$5.35

*Ownership within the township, or in an adjoining township

McCrosson & Tovell

(combined townships)

House-holds	Classification	Acres		(1964) Taxes Paid		Gross Income from the Soil	
			Sub-Totals	Total \$	\$ - Acre	Total \$	\$ Acre
	<u>25 acres and up</u>						
9	Full-time farms	3,345		1,265	0.38	29,800	8.90
37	Part-time farms	10,091		3,289	0.33	27,150	2.70
24	Rural residences	3,694	17,130	1,296	0.35	3,200	0.87
	Unoccupied, locally owned*	741		216	0.29	700	0.95
	Unoccupied, non-resident owned~	12,336	16,771	3,546	0.29	φ	φ
70			30,207	9,612	0.32	60,850	2.00
	<u>Under 25 acres</u>						
30	Cottages, non-farm and business	119	119	716		φ	
	<u>Crown Lands</u>	14,059	14,059	φ		φ	
	Grand Totals		44,385	\$10,328	\$0.23	\$60,850	\$1.37

*Ownership within the township, or in an adjoining township

Estimated Gross Income from the Soil

FULL-TIME farmers — ESTIMATED GROSS INCOME FROM THE SOIL

Township	No. of Farmers	Under										Total
		\$100	\$600	\$1200	\$2400	\$3000	\$3500	\$4000	\$5000	\$6000	\$9500	
Monteagle	30	4		9	10	7						\$ 45,900
Carlow	19		8		8	3						26,200
Lindsay	55	1	12	16	15	5	3	2	1			84,200
Harley	19		1	5	9	2	1		1			35,550
Brethour	21		1		4	6	6	4				62,550
McCrosson and Tovell	9				6		1			1	1	29,800
Total	153	5	22	30	52	23	11	6	2	1	1	\$284,200
(As %)	100%	3.3	14.2	19.6	34.0	15.0	7.2	4.0	1.3	0.7	0.7	

PART-TIME farmers — ESTIMATED GROSS INCOME FROM THE SOIL

Township	No. of Farmers	Under							Total
		None	\$100	\$600	\$1200	\$2400	\$3500		
Monteagle	36	1	7	20	6	2			\$ 16,350
Carlow	27			13	5	8	1		26,450
Lindsay	8		1	3	3	1			5,350
Harley	38	2	5	22	8	1			16,950
Brethour	24	2		7	7	6	1	1	26,050
McCrosson and Tovell	37		5	15	10	7			27,150
Total	170	5	18	80	39	25	2	1	\$118,300
(As %)	100%	3.0	10.6	47.	22.9	14.7	1.2	0.6	

Grand Total \$402,500

FARM DATA — By Townships

- Acreage
- Taxation
- Gross Income from the Soil

Number of Farm House-holds	Township	Gross Income from the Soil		Acreage		Township Taxes			Per Acre	
	Full-time or Part-time	Total \$	Avg. per Farm	Total	per Farm	Total \$	per Farm	as % of Gr. Inc. fr. Soil	Tax Paid \$	Gross Inc. fr. Soil \$
	<i>Monteagle</i>									
30	Full-time	45,900	1,530	8,572	285	5,538	185	12	0.64	5.30
36	Part-time	16,350	455	8,269	230	4,861	135	30	0.59	2.00
	<i>Carlow</i>									
19	Full-time	26,200	1,380	5,051	265	3,724	192	14	0.74	5.20
27	Part-time	26,450	980	8,497	315	5,016	191	19	0.59	3.10
	<i>Lindsay</i>									
55	Full-time	84,200	1,530	16,175	295	8,543	155	10	0.53	5.20
8	Part-time	5,350	670	1,430	180	639	80	12	0.45	3.75
	<i>Harley</i>									
19	Full-time	35,550	1,870	5,803	305	6,305	332	18	1.08	6.10
38	Part-time	16,950	450	5,607	150	5,652	149	33	1.01	3.00
	<i>Brethour</i>									
21	Full-time	62,550	3,000	5,750	275	4,615	220	7	0.80	10.80
24	Part-time	26,050	1,080	4,116	170	2,706	113	10	0.66	6.30
	<i>McCrosson and Tovell</i>									
9	Full-time	29,800	3,300	3,345	370	1,265	140	4	0.38	8.90
37	Part-time	27,150	735	10,091	270	3,289	90	12	0.33	2.70
153	Full-time	\$284,200				\$29,990		10		
170	Part-time	118,300				22,163		19		
	Totals	\$402,500				\$52,153				

Assessment Base (Land) and Land Tax Yields, 1964

(25 acres and larger)

Data below obtained from local officials and by inspection of information on acreage and taxation supplied. Data not precise, but reflect the marked differences in taxation levels between townships.

Township	ASSESSMENT RATES		Mill Rate (Res.)	LAND ASSESSMENT PER ACRE					
	per acre			Farmers and Rural Res.			Unoccupied Land		
	Cleared Land	Wasteland or Bushland		Median Range		High	Low	Median Range	
Monteagle	\$4.00 to \$6.00 (No record on roll of actual acres of each)	\$1.50	116	\$1.73 to \$1.93	\$ 2.40	\$1.33	\$1.58 to \$1.70	\$ 2.25	\$1.33
Carlow	\$4.00 to \$8.00 (No record on roll of actual acres of each)	\$1.50	92	\$2.60 to \$3.94	\$ 8.25	\$1.50	\$1.80 to \$1.86	\$ 3.55	\$1.00
Lindsay	\$2.00 to \$25.00 (Acreage of each class re- corded)	\$1.00	83.4	\$6.70	\$25.00	\$1.00	\$1.00 to \$1.10	\$ 1.33	\$1.00
Harley	\$10 to \$20.00 (Assessment on split of acre- age according to assessor's judgment—no detail available)	\$4.00 to \$5.00	108 112 117.5	\$6.50	\$14.00	\$2.00	\$5.00 (est.)	\$11.70	\$2.00
Brethour	\$12.50	\$1.50	114	\$8.00	\$11.50	\$1.50	\$4.00 (est.)	\$ 5.25	\$1.52
McCroscon- Tovell	All wasteland being reassessed at \$3 minimum upon resale. (No record of actual acres each class)		148	\$1.75	\$ 4.00	\$1.87	\$1.62	\$ 2.55	\$1.27

EXCERPTS from Submissions of the ONTARIO PROFESSIONAL FORESTERS' ASSOCIATION to the Ontario Committee on Taxation and the Royal Commission on Taxation.

MEANS must be found to encourage individual citizens to maintain their woodlots and to establish new areas of trees through reforestation. . . .

The forests which once covered all of Southern Ontario have now been reduced to only 11.2 million productive acres south of the French and Mattawa Rivers. Of this total 5.8 million acres are privately owned and contain one of the largest segments of tolerant hardwood timber remaining in the entire province.

Species found in quantity on these lands are important to the wood using industries of the area and are found only sparsely on crown owned lands to the north.

Private Land Inventory

An inventory report prepared by the Ontario Department of Lands and Forests shows the following percentages of the total growing stock in Ontario is located on these private lands.

Elm	82%
Basswood	66%
Black Cherry	66%
Soft Maple	61%
Beech	58%
Oak	57%
Ash	53%
Hard Maple	31%
Yellow Birch	12%

The Dominion Bureau of Statistics reports that there are still over 500 sawmills located in this part of Ontario and largely dependent on these forests for their supply of raw material.

In addition the Bureau reported in 1960 that there were 1,343 other types of wood using industries such as furniture factories, sash and door factories, veneer and plywood plants and hardwood flooring manufacturers in this part of Ontario. Although these industries do import some raw material from other provinces and foreign countries they are still dependent on local woodlands for a large portion of their requirements.

Employ 27,000 People

In the year 1960 this group of industries employed 27,137 people and paid out \$92 million in wages. The value of the products they produced exceeded \$311 million — a very valuable contribution to the provincial economy.

These forests are important in many other ways. They protect farm fields from erosion by wind and water, provide shelter for wildlife, recreational space for our people, and are an important factor in the conservation of ground water supplies.

In view of these facts it is obvious that these forests lands are an extremely valuable asset to the people of Ontario. The owners must be encouraged at all costs to return as many acres of woods on their property as possible. . . .

Income Tax Implications

Unfortunately, regulations under the Income Tax Act are not encouraging the landowner to do this. Any forest owner who sells products from his woods must include

The following information provides a further background against which an assessment may be made of the recommendations contained in this report.

the proceeds of the sale in his declaration of income for tax purposes. On the other hand, the landowner who destroys his woodlot and clears the land for agriculture is allowed to declare the proceeds from the sale of this timber as capital gain. . . .

Under the Act, a farmer is allowed to deduct the cost of tree planting, thinning and improvement cutting in the woodlot on his property for income tax purposes, while the landowner who does similar work but whose principal income is not farming is not allowed to deduct these expenses from his income for tax purposes.

It is understood that it is nearly impossible for the farmer to separate the costs of these operations from others on his farm but . . . not allowing the non-resident landowner to deduct similar expenses is unfair and discourages the investment of money in reforestation and other forest management work. . . .

Management Continuity

Trees are an unique crop. They require 75 to 100 years to reach maturity. This means that there are possibly 4 or 5 different owners on the property during the time it takes one crop to develop. Quite often an owner will receive no revenue whatever from the woods during his tenure of the property.

In other instances the property may be sold or the owner die when the timber is within a few years of maturity. Since timber develops a large part of its value in the period of years immediately prior to maturity, it is highly desirable to ensure some continuity of management if the maximum is to be realized from the trees. If the stand is liquidated too soon the highest quality material is not given an opportunity to develop.

The settlement of debts and the payment of Estate taxes often forces the heirs to a property to convert some assets into cash. In such instances immature woodlots are often decimated.

Not only is there a loss of high quality material most in demand by industry but the new owner is left with an area which will yield him little or no revenue and he will thus have little inclination to maintain and manage the area as a woodlot.

Succession Duty Exclusion

In Great Britain woodlots are not included in the value of estates for tax purposes. This encourages their preservation to maturity. Such legislation would be beneficial here as well.

We, therefore, recommend that the Estate Tax Act be amended to allow the heirs to a property the option of excluding the woodlot when the compilation of the value of the Estate is made provided they agree that no

standing timber will be sold for a period of at least 10 years.

In most cases the value of the woodlot is less than \$5,000 and the reduction in taxes received by the crown would not be large. On the other hand the incentive provided by such an amendment would be extremely beneficial in conserving immature woodlands that would otherwise be destroyed. . . .

Before the days of gas and oil heating the farmer received some benefit each year from the woodlot in the form of firewood. Nowadays little firewood is used.

Thus, many landowners may maintain a woodlot on their property for a life time and receive no cash return from it. They are foregoing the annual income they would have received had the land been cleared and they are also providing growing space for a crop which will be harvested by a future generation. . . .

Obviously in such circumstances the landowner must be provided with an incentive to grow trees and maintain a woodlot.

Local Tax Incentive

The present Assessment Act provides a partial solution but does not go far enough. A landowner is allowed a tax exemption of one acre in 10 with a maximum of 20 acres in any one holding for forestry purposes. This would provide the answer to the problem were it not for the fact that the acreage of woodlands is not equally distributed among the owners.

Furthermore county by-laws under the Trees Act prohibiting the destruction of trees have been enacted in 23 of the 41 counties of Southern Ontario and are likely to be established in others. These laws have, in effect, frozen the acreage of woodlands at their present level.

In this situation the owner with more than one acre in 10 in woods is forced to pay taxes on the balance of his woodland yet he is being deprived of any revenue from this land unless the trees happen to reach maturity during his tenure of the property. With the present large acreage of small size second growth timber in the area this is not likely to happen in many cases. In this intolerable situation many landowners are building up a prejudice against the maintenance and care of woodlots which they can ill afford.

We therefore recommend that the present legislation under the Assessment Act be amended to allow a landowner to claim exemption from property taxes for all of the woodland acreage on his property provided he maintains all adequate stand of trees thereon (as now defined in the Act) and protects it from grazing by livestock.

We further recommend that the municipality levy a yield tax instead of property tax to be collected from the landowner at the time of harvest of any wood products from these lands. We suggest that a tax of 5% of the value of these products would return an amount to the municipality equal to its present revenue through property tax on woodlands.

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